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THE WAR WITH SPAIN.

SPEECH

OF

HON. SETH W. BROWN,
OF OHIO,

IN THE

HOUSE OF REPRESENTATIVES.

FRIDAY, APRIL 29, 1898.



WASHINGTON.

1898.

W. A. Smith

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SPEECH
OF
HON. SETH W. BROWN.

On the bill (H. R. 10100) to provide ways and means to meet war expenditures.

Mr. BROWN said:

Mr. CHAIRMAN: I am placed under obligations to my distinguished colleague from Ohio [Mr. GROSVENOR] for his kindness in yielding to me a portion of his time, which he could so well occupy in closing this most interesting debate.

Mr. Chairman, I will attempt to very briefly review some of the more important provisions of this bill and perhaps add some observations on the necessity for its prompt passage.

More money is needed by the Government. This bill proposes to raise more money. It is a resort to what in times past we called war taxes. It is a bill to produce war money. It is made absolutely necessary by present conditions. The ordinary income of the Government is not sufficient to meet the demand now made for funds to carry on the war in which the nation has become involved.

If the war had not come, there would now be no necessity for a measure of this nature. Under the tariff law passed at the extra session of the present Congress last year, the income of the Government had already become about equal to its peace expenditures. In fact, during the months of February and March of the present year our revenues exceeded our expenditures by the sum of about \$3,000,000, and it is as good as certain that if peace conditions had continued we would now be in the early days of a period wherein our revenues would equal and, indeed, exceed our expenditures. The tariff act of July 24, 1897, has already justified the hopes of its friends. As a measure for producing revenue needed for all the wants of the Government in time of peace, that act is already an established and undisputed success.

But the tariff act of last year was not designed to raise funds necessary to meet both peace and war expenses. At the time it became a law last summer, it was hoped that the trouble between this country and Spain would pass by without resort to the firing of a hostile shot. Now all conditions are changed. We are in the beginning of a war, the end of which no man can see.

What is the necessity of raising additional money? We hear it said there is a Treasury balance in cash which is sufficient. This is not so. It is true there is an apparent cash balance in the Treasury of over \$200,000,000, but many deductions must be made from this amount. There must be taken from this sum the gold reserve of \$100,000,000. After deducting this amount and other sums which must be taken therefrom, there is actually in the Treasury now as an available cash balance less than \$60,000,000, and from this amount there must be subtracted the sum of \$50,000,000 heretofore appropriated by a single act; and, further, there has already been created—properly, no doubt—a deficiency of perhaps \$35,000,000. So, as a matter of fact, there is substantially no cash on hand with which to continue the war.

Do we stop to consider the immense cost of war? It has been stated here in this debate that a single shot from some of our guns costs \$1,600. The war preparations so far have cost the Government about \$25,000,000 a month.

It is safe to say that the war expenses of the Government may be reasonably expected to reach \$1,000,000 a day. If the war shall continue a year, though we may hope it will end in less than three months, we shall be put to a war expense of, say, \$365,000,000. This money must be raised, or at least the measures by which it can be raised must be enacted by Congress, so that, whether we shall remain in session or adjourn, the Administration may be clothed with power to procure all the funds needed to meet all calls.

We call this an internal-revenue bill, and so it is. It produces money from internal sources. It taxes our own goods. It is not levied and collected on foreign imports. It is internal, not external. It opens sources of revenue not resorted to in ordinary times. It is an extraordinary measure for an extraordinary occasion. It is a kind of taxation which would not be favored, at

least for the raising of so much money, in a time of peace. The expenses of war alone justify the raising of so much money from these internal sources.

It is expected that this measure, as it now stands, will produce about \$100,000,000 a year, or, as it is more definitely figured, \$95,000,000. The precise amount which will be produced can only be determined after the act has gone into operation.

It is provided in this bill that there shall be an increase of tax on fermented liquors. From this product it is expected \$33,000,000 will be obtained. An increase of the tax on tobacco from 6 cents to 12 cents a pound, it is calculated, will produce \$15,000,000. The increase to \$1 a thousand on cigars and cigarettes, it is estimated, will put into the Treasury \$5,000,000. Then the tax of \$1.50 on each dealer in tobacco and cigars is restored, and this, it is believed, will add \$5,000,000 more. There is also restored the adhesive stamp tax, which it is figured will add to the income produced by this bill an additional \$20,000,000.

We speak of some of these taxes as being restored, meaning by this that these sources of revenue were formerly resorted to by the Government. They were afterwards removed, and now we propose to restore them. There is also a tax imposed by this bill on chewing gum, mineral waters, wines, beverages of all sorts not otherwise taxed under internal revenue laws, and proprietary medicines, which, it is estimated, will add \$5,000,000 more. To these sums is added an increased tonnage on vessels in the foreign trade, which it is believed will increase the aggregate by the sum of \$1,500,000, bringing the whole up to \$95,000,000 for one year of this kind of internal taxation.

It is to be noticed of the products taxed by this bill, that they are what are designated as articles of voluntary consumption—that is, they are articles which men may consume or not, as they like. No tax is imposed on bread. There are taxes collected from liquors, tobacco, and cigars, and other things, which people may consume or not, as they wish. The prices of the necessities of life are not to be raised by anything in this bill. And it is further to be observed that the large item of \$20,000,000, to be derived from provisions relating to adhesive stamps, will be a sum that can be paid by those who have the ability to pay, as a gen-

eral rule. Men who give bank checks have funds to check upon. Those who purchase drafts are able to pay for the required stamps. Those who sell lands and execute deeds therefor are presumed to be able to pay for the stamps required for their written conveyances; and so on through the long list of papers which will now require adhesive stamps. Those who will be put to the expense are those, as a general rule, who will be able to pay.

But if we are to have war expenses in the sum of at least \$1,000,000 a day or \$365,000,000 a year, and if this bill shall produce \$95,000,000 a year, it will still be utterly insufficient to raise all the money needed to go ahead with the war. What then? Something still further is needed.

On the other side of the House it is proposed that we shall raise a large sum of money by what is called an income tax. It is proposed that we impose a tax on all incomes over a specified sum. There is much to be said in favor of an income tax, which falls upon those who actually have large incomes of money, and who, of all our people, may be presumed to be prepared to pay the proposed tax with the least injury or inconvenience to themselves.

This proposition is an old one. It has been talked about in Congress and out of Congress for a long time, and the people of the country are familiar with the arguments one way and the other, and with the history of legislation along this line. In 1894 Congress passed an income-tax law. What was the result? The Supreme Court of the United States decided that the law was unconstitutional. There is no occasion here to enter into a consideration of the grounds on which the Supreme Court made this decision. It is enough for us to know now that such a decision was made, and that it stands unreversed and apparently not questioned by the great body of the legal profession in this country. The court said squarely and directly that the provisions of the act of 1894 were contrary to the clear and explicit provisions of the Constitution, and this decision ended that law. It is on our statute books to-day, but it is a dead letter.

It is difficult to see on what safe ground gentlemen can place themselves in proposing that we put into this bill a provision taxing incomes. Men may say that it is fair to tax incomes and that they would be glad to see these incomes pay a large part of

the financial burthens of war; but if this can not be done under the Constitution, what is the use to talk about it? It is claimed that provisions taxing incomes might be so framed as to meet the constitutional objections to the income tax, but this is a matter of very grave doubt; and being so, could we afford at this time to experiment upon a further trial of the effort to tax incomes? Would it be safe now, when money must be immediately raised, to attempt to raise it, or any large part of it, in a way which our highest court has said is absolutely contrary to the Constitution of the United States?

At best, this effort would bring us another lawsuit. We would again go to the Supreme Court. There would be people ready at an hour's notice to make a test question on which the Supreme Court would again be called upon to pass judgment on the constitutionality of the provision. In short, we would again and almost immediately be involved in a great lawsuit. Is this a time to have lawsuits in the matter of money needed to carry on the war? Is this a time to try further experiments in this direction, and especially is it the time to put such a provision in the present bill? Certainly we ought to so enact this bill that it will be free from every question of doubt. It should not contain the germ of a lawsuit. It should be clear and plain, and such that it can be immediately put into operation, without the possibility that anybody will carry it to the Supreme Court to question whether it is in harmony with the Constitution.

If it should be regarded as the duty of Congress to attempt to pass an act raising money from incomes, why should not this be by a bill separate from all other bills, so that if it should fail it would not involve any other provisions in its fall, but would go down by itself and affect nothing else? Clearly, it is a mistake to try to put an income-tax provision into this bill.

What else is proposed on the other side of this House? It is said that we ought to raise some of these war moneys by the issue of silver certificates on what is called the seigniorage. What is this proposition? We have in the Treasury to-day about 110,000,000 ounces of silver. We paid for it about \$100,000,000. Seigniorage is the profit which the Government derives by the coining of this bullion into money.

Silver bullion which costs the Government less than \$1 is coined into \$1. The difference between the cost of the bullion and the dollar coined therefrom is called the seigniorage. This profit which the Government makes, which is the amount of difference between the cost of the silver bullion and the amount of the coined money, is the seigniorage. But there is no seigniorage, there is no profit derived in this way, until the bullion is coined; and therefore there is now no profit and nothing on which to issue the proposed silver certificates. This profit, we are not to forget, is not ours until the bullion is actually coined; but even if we had authority to issue right now silver certificates on the difference between the cost of this bullion and the amount of the money which it would produce if coined, we still have the fact that the amount of these certificates, the amount thus raised, would not be sufficient to carry on the war a month.

This bill provides that the amount of money probably needed in addition to the \$100,000,000 thus raised by taxation shall be obtained by the sale of bonds. The Secretary of the Treasury is authorized to issue and sell bonds to an amount not exceeding \$500,000,000. It is proposed that these shall be disposed of so that the loan shall be a popular one. Bonds are to be issued in denominations of \$25 and multiples thereof. These bonds are lower in denomination than any ever issued in this country. That is, we propose to raise \$100,000,000, or about that sum, from the sources of taxation especially mentioned, and then we will borrow, if necessary, \$500,000,000 more. The authority to do this is placed in the hands of the Secretary of the Treasury. He is not required to issue and sell all of these bonds, and it may be assumed that he will only issue and sell such amount thereof as may be necessary to raise the money needed.

If the war should happily end in a few weeks, or a few months, these bonds will not all be issued and sold. On the other hand, if the whole amount should be needed, there will be in the hands of the Administration the power to borrow the money. Of course it is a cause of regret that the nation is put to the probable necessity of borrowing money. We have never regarded a national debt as a national blessing. The national debt in 1865, at the close of the civil war, amounted to \$2,385,000,000. This debt we proceeded to

pay off, so that in 1893 it amounted to less than \$500,000,000. We are not the friends of a national debt. We do not believe in a national debt, and when a national debt is created we believe in paying it off. The only reason for the creation of the proposed debt now is necessity, and that necessity is created by war upon which we have entered in the belief that it is just and that we could not honorably have escaped it.

What is the cause of the war for the expenses of which we impose these taxes? We have stated the cause in the preamble to the resolutions which Congress recently adopted, in which we declare that our course is made necessary by "the abhorrent conditions which have existed for more than three years in the Island of Cuba, so near our own borders." We further say in this preamble that these conditions "have shocked the moral sense of the people of the United States, have been a disgrace to Christian civilization, culminating, as they have, in the destruction of a United States battle ship, with 266 of its officers and crew, while on a friendly visit to the harbor of Havana;" and we further say that these conditions, with the results, "can not longer be endured." Surely they can not "longer be endured."

Is there a civilization in Europe that would have endured such conditions, near its own borders, as long as we have endured these things here at our doors in the unhappy Island of Cuba?

What further do we say as one of the propositions on which we stand in waging this war? We say that "the people of the Island of Cuba are and of right ought to be free and independent." How could we say less? How could we, in the enjoyment of our freedom and independence, and believing in the freedom and independence of any people who strive to throw off the yoke of oppression, how could we do less than say that the people of the Island of Cuba are and of right ought to be free and independent? We, of all the nations in the world, ought to be the first to say that, and the first people for us to say it to are those who, almost within sight of our shores, have for more than three years vindicated their right to be free and independent.

It was further proposed by our resolutions, as they passed the Senate, that we should recognize the Republic of Cuba as the true and lawful government of that island. It seemed to me that this

was also the proper thing for us to do, and I voted accordingly. It appeared to me that it was due the builders and defenders of the Republic of Cuba that we should recognize it as the true and lawful government of the Island of Cuba; but this is not perhaps a matter of vital importance now, for, as we have recognized the fact that the people of the Island of Cuba are and of right ought to be free and independent, we can and doubtless will at an early day recognize the independence of their republic.

And what further do we say in the declaration on which we have gone to war? We say this:

That the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination, when that is accomplished, to leave the government and control of the island to its people.

And what a grand declaration this is to be made now by our great Republic. Will not this declaration win for us the respect, regard, and admiration of thoughtful men throughout the world? We have no purposes of conquest, and we declare that fact to mankind. We do not seek to permanently acquire a single square foot of foreign ground by force of arms. How else could we so grandly state the unselfish nature of our purpose? We go out with our Army and our Navy in the cause of humanity. We raise our battle flags and carry them to the front with the determination to rescue a people from conditions which we say are a disgrace to Christian civilization.

It may be that in time to come, through friendly negotiations, Cuba may become a part of the territory of the United States, but this shall not come about through conquest. Did a people ever before in the world go to war with higher or purer motives? We can not expect indemnity from Spain. Even if we could exact it, she probably could not pay it. But whether this be so or not, we declare in a solemn way that we go to drive Spain from Cuba, but not to acquire Cuba. If success shall come of our effort—and of this no man can doubt—the end of the war will find us having gained no territory by military conquest. Will not such a war, waged on such high grounds, give us a standing in the respect of the world which we have never had before, and above all will it not make us all feel that we have done that which the right demanded, without hope of reward other than the satisfaction which comes from following the high path of duty?

The truth of the old saying that history repeats itself comes home to us now. History is to-day repeating one of its glowing chapters. The scenes of 1861, though on a smaller scale, are again enacted. The nation is once more aroused. Again we feel the enthusiasm which a just war creates.

The flag of our Union now represents States—forty-five of them—bound together not only by constitutional ties, but united in the common purpose of all their people, and this flag waves more proudly than ever from window and house-top in all the land, and more nobly from station and marching column, and assembling camp. It is more brightly than ever. It has more of brightness and of color and of glory in its stripes, and more of grandeur and of nobility in its folds. We behold there since the day of its adoption

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service, without any examination or test other than such heads of Departments or officers may prescribe.

SEC. 2. That the rules made or which may hereafter be made under the provisions of an act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, shall not hereafter apply to nor regulate the employment or appointment of persons who now are or who shall hereafter be honorably discharged from the military or naval service of the United States, as aforesaid, to offices or positions in said civil service nor to the removal of such persons therefrom, and in so far as said act can be construed to regulate or authorize the making of rules for the employment or appointment of persons honorably discharged as aforesaid to, or their removal from, offices or positions in the public service, the same is hereby repealed, and all rules which have been, or which may hereafter be, adopted or promulgated inconsistent with this act are hereby annulled and rescinded.

The civil-service law is so harmful to the public service, keeping persons in place after they become inefficient from age or other cause, and is so at variance with sound principle, and is so unfair and unjust to those who perform good, honest, and patriotic work for the success of their party, that I would prune it down to harmless proportions, leaving it to apply only to a few of the many classes of officers which it now covers. But, failing to secure its severe modification at this time, I would now at least repeal it in the case of every honorably discharged soldier or sailor. I shall hope that this bill may receive the favorable consideration of this House. I think it is properly entitled "A bill to recognize the services of soldiers and sailors and to encourage patriotic responses to calls for volunteers."

And history repeats not only the record of the soldier who obeyed, but it reproduces in some measure the picture of the leader who commanded. Lincoln was a poor boy; so was McKinley. Lincoln studied his books, told the truth, and loved his parents; so did McKinley. Lincoln was a soldier in the only military service required when he was young and strong. He volunteered to perform service against the Indians. McKinley, in the days of his maturing manhood, enlisted in the grand Army of the Union. Lincoln served in this House; so did McKinley. Lincoln as President was confronted by new problems; so is McKinley. Lincoln was careful, prudent, hearing all things, bearing all things, weighing all things, and slow to step but sure to stand; and the same is true of McKinley.

The repetition of history goes still further. On the 4th day of July, 1861, three months after the war had been commenced in the harbor of Charleston, in his message to Congress Lincoln declared

the world shall be led to the exhaustion of all
 resources after this war commenced in
 1914. Mr. Kinley can declare that the policy
 of the Government is "the adoption of all peaceful measures."
 The people will have faith that when
 the world is in the bright light of
 truth, that the action of
 the Government will prove
 itself fully and lovingly with
 the people to avoid

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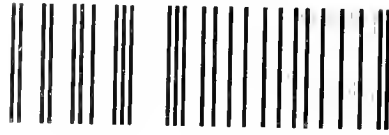
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taxation which our highest court has pronounced unconstitutional. If the Congress should be in duty bound to tax the incomes of the rich to help pay the expenses of war, let it be done or attempted in a separate bill, which, failing before a constitutional objection, would not in any manner retard the collection of revenues from sources that are clearly within the taxing power. Action prompt and sure will best support the President, and will grandly show our enemies and the whole world that in the presence of danger we here can act in harmony, as the people we represent are moving together in the service of our common country and in the cause of our common humanity.

To pass this bill promptly and wisely spend these revenues in the purchase and building of ships, and in providing armaments and munitions of war, and in paying the soldiers and sailors who will fight our battles on land and on sea, will expel Spain from this fair portion of the earth; will give strength to homeless women, starving in pens and prisons, and nourishment to children perishing on the breasts of dying mothers; will build new homes in Cuba and turn the ashes of her waste places into the rich products of her fruitful fields; will show that men who have had the strength and courage to successfully resist the vast armies sent to subjugate them will be virtuous enough and great enough to maintain their independence: and will bring to us the best indemnity for the *Maine* and build the loftiest monument to her heroic dead.

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